

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. Contract ID Code Firm-Fixed-Price		Page 1 Of 15	
2. Amendment/Modification No. P00022		3. Effective Date 2001MAR22		4. Requisition/Purchase Req No. SEE SCHEDULE		5. Project No. (If applicable)	
6. Issued By TACOM AMSTA-LC-CLEA-A ASHIS PATEL (810)574-7012 WARREN, MICHIGAN 48397-5000 HTTP://CONTRACTING.TACOM.ARMY.MIL EMAIL: PATELA@TACOM.ARMY.MIL		Code W56HZV		7. Administered By (If other than Item 6) DCM UDLP PO BOX 15512 YORK PA 17405-1512		Code S4201A	
				SCD B PAS NONE ADP PT SC1012			
8. Name And Address Of Contractor (No., Street, City, County, State and Zip Code) UNITED DEFENSE L.P. GROUND SYSTEMS DIVISION P.O. BOX 15512 YORK PA 17405-1512 TYPE BUSINESS: Large Business Performing in U.S.				<input type="checkbox"/>		9A. Amendment Of Solicitation No.	
				<input type="checkbox"/>		9B. Dated (See Item 11)	
				<input checked="" type="checkbox"/>		10A. Modification Of Contract/Order No. DAAE07-00-C-M002	
				<input type="checkbox"/>		10B. Dated (See Item 13) 2000JAN14	
Code 06085		Facility Code					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing items 8 and 15, and returning _____ copies of the amendments: (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. Accounting And Appropriation Data (If required) NO CHANGE TO OBLIGATION DATA							
13. THIS ITEM ONLY APPLIES TO MODIFICATIONS OF CONTRACTS/ORDERS							
KIND MOD CODE: 7 It Modifies The Contract/Order No. As Described In Item 14.							
<input type="checkbox"/> A. This Change Order is Issued Pursuant To: The Changes Set Forth In Item 14 Are Made In The Contract/Order No. In Item 10A.							
<input checked="" type="checkbox"/> B. The Above Numbered Contract/Order Is Modified To Reflect The Administrative Changes (such as changes in paying office, appropriation data, etc.) Set Forth In Item 14, Pursuant To The Authority of FAR 43.103(b).							
<input type="checkbox"/> C. This Supplemental Agreement Is Entered Into Pursuant To Authority Of:							
<input type="checkbox"/> D. Other (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input checked="" type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the Issuing Office.							
14. Description Of Amendment/Modification (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) SEE SECOND PAGE FOR DESCRIPTION							
Contract Expiration Date: 2003DEC31							
Except as provided herein, all terms and conditions of the document referenced in item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. Name And Title Of Signer (Type or print)				16A. Name And Title Of Contracting Officer (Type or print) RODNEY GELHAUS GELHAUSR@TACOM.ARMY.MIL (810)574-7076			
15B. Contractor/Offeror (Signature of person authorized to sign)		15C. Date Signed		16B. United States Of America By _____ /SIGNED/ (Signature of Contracting Officer)		16C. Date Signed	
NSN 7540-01-152-8070 PREVIOUS EDITIONS UNUSABLE				30-105-02		STANDARD FORM 30 (REV. 10-83) Prescribed by GSA FAR (48 CFR) 53.243	

CONTINUATION SHEET	Reference No. of Document Being Continued		Page 2 of 15
	PIIN/SIIN DAAE07-00-C-M002	MOD/AMD P00022	
Name of Offeror or Contractor: UNITED DEFENSE L.P.			

SECTION A - SUPPLEMENTAL INFORMATION
Modification P00022

1. This is a modification P00022 to contract DAAE07-00-C-M002. This modification is unilateral action.
2. This purpose of the modification is to add E.8.4 to section E of the contract. The following addresses are added:

H.32.2 DODAAC for GDLS Muskegon and GDLS Tallahassee. GDLS will be performing as a subcontractor to UDLP and will require shipment of parts/vehicles to their Muskegon and Tallahassee facilities at the following addresses:

GDLS TALLAHASSEE
2930 COMMONWEALTH BLVD
TALLAHASSEE, FL 32303
DODAAC: CK0P36

GDLS MUSKEGON
76 GETTY STREET
MUSKEGON MI 49442
DODAAC: CK0P37
3. The existing Section H from H-21(a)(1)(b) through H.49 is deleted and the attached Section H from H-21(a)(1)(b) through H.49(a) is substituted in lieu thereof.
4. As a result of this modification the contract price remains unchanged.

*** END OF NARRATIVE A 025 ***

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 3 of 15
	PIIN/SIIN DAAE07-00-C-M002MOD/AMD P00022	
Name of Offeror or Contractor: UNITED DEFENSE L.P.		

SECTION H - SPECIAL CONTRACT REQUIREMENTS

H-21 (Cont'd) and

(b) BUCCELLK@TACOM.ARMY.MIL

(2) Our second preference is for you to use data facsimile (datafax) transmission, using these fax numbers:

(a) (810) 574-7552 and use "DD250 mailbox" in the "to:" block of your fax cover or header sheet; and

(b) fax a copy to the buyer, using the fax number provided to you by the buyer.

(b) These copies meet the requirements for the Purchasing Office copy and the Army Inventory Control Manager copy listed in tables 1 and 2 of DFARS Appendix F.

H.22 Reserved

H.23 FACILITY VEHICLES

H.23.1 The following vehicles shall remain at the United Defense York, Pennsylvania production location as facility vehicles accountable to this contract. The contractor shall have access to the facility vehicles to the extent necessary to support and conduct testing/build of vehicles.

No vehicles identified for this contract

H.24 MATERIAL REQUIREMENTS

H.24.1 In accordance with FAR 52.211-5 of this contract entitled Material Requirement, the used, reconditioned or remanufactured materials listed in Attachment 11 to the contract entitled "Approved Used, Reconditioned or Remanufactured Material" have been approved for use under the contract.

H.25 SUPPLIES TO BE ACCORDED DUTY-FREE ENTRY (MAR 1998)

H.25.1 In accordance with paragraph (b) of the Duty-Free Entry clause of this contract, in addition to duty free entry for all qualifying country supplies (end products and components) all eligible end products subject to applicable trade agreements (if this contract contains the Buy American Act - Trade Agreements - Balance of Payments Program clause or the Buy American Act - North American Free Trade Agreement Implementation Act - Balance of Payments clause), the following foreign end products that are neither qualifying country end products nor eligible end products under a trade agreement, and the following foreign nonqualifying country components, are accorded duty-free entry:

Part Number	Description	Vendor
12369774-F	Turret Ring Forging	Canadian Forgings Inc
12369775-F	Turret Ring Forging	Canadian Forgings Inc
12369776-F	Turret Ring Forging	Canadian Forgings Inc
12369777-F	Turret Ring Forging	Canadian Forgings Inc
12369778-F	Intake Grill Forging	Canadian Forgings Inc
12334321-F	Shield Field Forging	Canadian Forgings Inc
12295295-F	Bracket Forging	Canadian Forgings Inc
12367362-S	Mount Hinge Support	Vestshell Inc
12385234-3S1	Hinge Support	Vestshell Inc
12385234-4S1	Hinge Support	Vestshell Inc
9380346-14C	Lug Sight Arm Inv	Vestshell Inc
12307272-C	Hinge Com Casting	Vestshell Inc
12359272-C	Control Rod Plate	Vestshell Inc
2584772-1	Bracket	Vestshell Inc
12307410-C	Bracket Casting	Vestshell Inc
12359290-C	Bracket Casting	Cabiran C/O Mistral
12297231-C	Bracket Casting	Cabiran C/O Mistral
12359291-C	Eye Bracket Casting	Cabiran C/O Mistral
12294495-C	Casting Support	Cabiran C/O Mistral
12298207-2	Retainer Tie Down	Cabiran C/O Mistral
12294396-C	Casting Coupling	Cabiran C/O Mistral
12294397-C	Output Casting Coupling	Cabiran C/O Mistral
12369308	Shock Absorber	General Kinetics Engr.Corp

<p align="center">CONTINUATION SHEET</p>	<p align="center">Reference No. of Document Being Continued</p> <p align="center">PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022</p>	<p align="center">Page 4 of 15</p>
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Name of Offeror or Contractor: UNITED DEFENSE L.P.

12359649	Plain Bearing	General Kinetics Engr.Corp
M5506622	Steel Armor Plate	Stelco
M5323572	Steel Armor Plate	Stelco
M5504740	Steel Armor Plate	Stelco

H.26 DATA RESPONSIBILITY

H.26.1 Recognizing that a visual review, by the Government, of data delivered or released under this contract may be insufficient to prove out their adequacy for intended use, the Contractor shall certify prior to contract completion, that to the best of his knowledge and belief all such data are complete and conform to the data requirements of this contract. Failure of related data, made under the terms of this contract, to meet the requirements thereof shall be cause for rejection as unacceptable. Prior to final acceptance of the drawings and related data by the Government, the Contractor shall submit evidence that drawings and related data rejected as unacceptable have been corrected. Notwithstanding such final acceptance, the Government may require the Contractor to remedy by correction or replacement, as directed by the Contracting Officer, data deficiencies (i) at any time during the performance of this contract, and (ii) for a period of three (3) years thereafter, in accordance with Special Provision H.16 of this contract entitled WARRANTY OF DATA.

H.27 PERFORMANCE-BASED PAYMENTS 52.232-32 May 1997

H.27.1 Performance-Based Payments

Amount of payments and limitations on payments. Subject to such other limitations and conditions as are specified in this contract and this clause, the amount of payments and limitations on payments shall be specified in the contract's description of the basis for payment. Contractor request for performance-based payment. The Contractor may submit requests for payment of performance-based payments not more frequently than monthly, in a form and manner acceptable to the Contracting Officer. Unless otherwise authorized by the Contracting Officer, all performance-based payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled. The Contractor's request shall contain the information and certification detailed in paragraphs(1) and (m) of this clause.

Approval and payment of requests.

(1) The Contractor shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested. The Contracting Officer shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contracting Officer may, at any time, require the Contractor to substantiate the successful performance of any event or performance criterion which has been or is represented as being payable.

(2) A payment under this performance-based payment clause is a contract financing payment under the Prompt Payment clause of this contract, and approved requests shall be paid in accordance with the prompt payment period and provisions specified for contract financing payments by that clause. However, if the Contracting Officer requires substantiation as provided in paragraph (1) of this clause, or inquiries into the status of an event or performance criterion, or into any of the conditions listed in paragraph (e) of this clause, or into the Contractor certification, payment is not required, and the prompt payment period shall not begin until the Contracting Officer approves the request.

The approval by the Contracting Officer of a request for performance-based payment does not constitute an acceptance by the Government and does not excuse the Contractor from performance of obligations under this contract.

(d) Liquidation of performance-based payments.

(1) Performance-based finance amounts paid prior to payment for delivery of an item shall be liquidated by deducting a percentage or a designated dollar amount from the delivery payment. If the performance-based finance payments are on a delivery item basis, the liquidation amount for each such line item shall be the percent of that delivery item price that was previously paid under performance-based finance payments or the designated dollar amount. If the performance-based finance payments are on a whole contract basis, liquidation shall be by either predesignated liquidation amounts or a liquidation percentage.

(2) If at any time the amount of payments under this contract exceeds any limitation in this contract, the Contractor shall repay to the Government the excess. Unless otherwise determined by the Contracting Officer, such excess shall be credited as a reduction in the unliquidated performance-based payment balance(s), after adjustment of invoice payments and balances for any retroactive price adjustments.

(d) Reduction or suspension of performance-based payments. The Contracting Officer may reduce or suspend performance-based payments, liquidate performance-based payments by deduction from any payment under the contract, or take a combination of these actions after finding upon substantial evidence any of the following conditions:

The Contractor failed to comply with any material requirement of this contract(which includes paragraphs (H) and (I) of this clause). Performance of this contract is endangered by the Contractor's-

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022	Page 5 of 15
---------------------------	---	----------------------------

Name of Offeror or Contractor: UNITED DEFENSE L.P.

- (i) Failure to make progress; or
- (ii) Unsatisfactory financial condition.
- (3) The Contractor is delinquent in payment of any subcontractor or supplier under this contract in the ordinary course of business.
- (f) Title.
 - (1) Title to the property described in this paragraph(f) shall vest in the Government. Vestiture shall be immediately upon the date of the first performance-based payment under this contract, for property acquired or produced before that date. Otherwise, vestiture shall occur when the property is or should have been allocable or properly chargeable to this contract
 - (2) Property. As used in this clause, includes all of the following described items acquired or produced by the Contractor that are or should be allocable or properly chargeable to this contract under sound and generally accepted accounting principles and practices:
 - (i) Parts, materials, inventories, and work in process;
 - (ii) Special tooling and special test equipment to which the Government is to acquire title under any other clause of this contract;
 - (iii) Nondurable (i.e., nonmartial) tools, jigs, dies, fixtures, molds, patterns, taps, gauges, test equipment and other similar manufacturing aids, title to which would not be obtained as special tooling under subparagraph (f)(2)(ii) of this clause; and
 - (iv) Drawings and technical data, to the extent the Contractor or subcontractors are required to deliver them to the Government by other clauses of this contract.
 - (3) Although title to property is in the Government under this clause, other applicable clauses of this contract (e.g., the termination or special tooling clauses) shall determine the handling and disposition of the property.
 - (4) The Contractor may sell any scrap resulting from production under this contract, without requesting the Contracting Officer's approval, provided that any significant reduction in the value of the property to which the Government has title under this clause is reported in writing to the Contracting Officer.
 - (5) In order to acquire for its own use or dispose of property to which title is vested in the Government under this clause, the Contractor must obtain the Contracting Officer's advance approval of the action and the terms. If approved, the basis for payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.
 - (6) When the Contractor completes all of the obligations under this contract, including liquidation of all performance-based payments, title shall vest in the Contractor for all property (or the proceeds thereof) not-
 - (i) Delivered to, and accepted by, the Government under this contract; or
 - (ii) Incorporated in supplies delivered to, and accepted by, the Government under this contract and to which title is vested in the Government under this clause.
 - (7) The terms of this contract concerning liability for Government-furnished property shall not apply to property to which the Government acquired title solely under this clause.
 - (g) Risk of loss. Before delivery to and acceptance by the Government, the Contractor shall bear the risk of loss for property, the title to which vests in the Government under this clause, except to the extent the Government expressly assumes the risk. If any property is damaged, lost, stolen, or destroyed, the basis of payment (the events or performance criteria) to which the property is related shall be deemed to be not in compliance with the terms of the contract and not payable (if the property is part of or needed for performance), and the Contractor shall refund the related performance-based payments in accordance with paragraph (d) of this clause.
 - (h) Records and controls. The Contractor shall maintain records and controls adequate for administration of this clause. The Contractor shall have no entitlement to performance-based payments during any time the Contractor's records or controls are determined by the Contracting Officer to be inadequate for administration of this clause.
 - (i) Reports and Government access. The Contractor shall promptly furnish reports, certificates, financial statements, and other pertinent information requested by the Contracting Officer for the administration of this clause and to determine that an event or other criterion prompting a financing payment has been successfully accomplished. The Contractor shall give the Government reasonable opportunity to examine and verify the Contractors records and to examine and verify the Contractor's performance of this contract for administration of this clause.
 - (j) Special terms regarding default. If this contract is terminated under the Default clause:
 - (1) the Contractor shall, on demand, repay to the Government the amount of unliquidated performance-based payments, and
 - (2) title shall vest in the Contractor, on full liquidation of all performance-based payments, for all property for which the Government elects not to require delivery under the Default clause of this contract. The Government shall be liable for no payment except as provided by the Default clause.

<p style="text-align: center;">CONTINUATION SHEET</p>	<p style="text-align: center;">Reference No. of Document Being Continued</p> <p style="text-align: center;">PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022</p>	<p style="text-align: center;">Page 6 of 15</p>
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Name of Offeror or Contractor: UNITED DEFENSE L.P.

- (k) Reservation of rights.
- (1) No payment or vesting of title under this clause shall-
- (i) Excuse the Contractor from performance of obligations under this contract; or
- (ii) Constitute a waiver of any of the rights or remedies of the parties under the contract.
- (2) The Government's rights and remedies under this clause-
- (i) Shall not be exclusive, but rather shall be in addition to any other rights and remedies provided by law or this contract; and

Shall not be affected by delayed, partial, or omitted exercise of any right, remedy, power, or privilege, nor shall such exercise or any single exercise preclude or impair any further exercise under this clause or the exercise of any other right, power, or privilege of the Government.

- (1) Content of Contractor's request for performance-based payment. The Contractor's request for performance-based payment shall contain the following:
- (1) The name and address of the Contractor;
- (2) The date of the request for performance-based payment;
- (3) The contract number and/or other identifier of the contract or order under which the request is made;
- (4) Such information and documentation as is required by the contracts description of the basis for payment; and
- (5) A certification by a Contractor official authorized to bind the Contractor, as specified in paragraph (m) of this clause.

(m) Content of Contractors certification. As required in paragraph (1)(5) of this clause, the Contractor shall make the following certification in each request for performance-based payment:

- I certify to the best of my knowledge and belief that-
- (1) This request for performance-based payment is true and correct; this request (and attachments) has been prepared from the books and records of the Contractor, in accordance with the contract and the instructions of the Contracting Officer;
- (2) (Except as reported in writing on _____), all payments to subcontractors and suppliers under this contract have been paid, or will be paid, currently, when due in the ordinary course of business;
- (3) There are no encumbrances (except as reported in writing on _____) against the property acquired or produced for, and allocated or properly chargeable to, the contract which would affect or impair the Government's title;
- (4) There has been no materially adverse change in the financial condition of the Contractor since the submission by the Contractor to the Government of the most recent written information dated _____; and After the making of this requested performance-based payment, the amount of all payments for each deliverable item for which performance-based payments have been requested will not exceed any limitation in the contract, and the amount of all payments under the contract will not exceed any limitation in the contract.

H.28 ESSENTIALITY/MATERIALITY OF DELIVERY SCHEDULE

H.28.1 For purposes of the Performance Based Payments clause (See H.27) it is agreed and understood that the vehicle fielding and data delivery schedules is a material requirement of this contract. The Government may reduce or suspend payments in the event the Contractor becomes delinquent in deliveries or where it is evident that delivery will not be timely because of the Contractors failure to make progress.

H.29 GOVERNMENT RIGHT TO FURNISH PROPERTY, MATERIAL, AND/OR EQUIPMENT

H.29.1 In addition to the Government furnished property, material and/or equipment described in Attachment 1 of this contract, the Government reserves the right to furnish to the Contractor other items of Government property, material and/or equipment or to increase the quantities specified in Attachment 1.

H.29.2 The contractor shall promptly take such action as the Contracting Officer may direct with respect to such additional property, material and/or equipment. In the event the Government exercises it right under this paragraph, the parties will agree to equitably adjust the contract price and/or delivery schedule or performance dates in accordance with the procedures provided for in the "Changes" clause of this contract. The contractor shall submit either a proposal for equitable adjustment or rationale for no equitable adjustment within thirty-(30) days following the Contracting Officer's notice of change. Failure to agree to an equitable adjustment shall be a dispute concerning a question of fact within the meaning of the "Disputes" clause.

H.29.3 All property furnished pursuant to this paragraph shall be subject to the provisions of the "Government Property" clause of this contract.

H.30 USE OF GOVERNMENT PROPERTY AND FACILITIES

H.30.1 The Contractor based this contract price on rent-free use of property and facilities that were initially made available under other contracts (see below). The Government property and facilities are in the possession of the Contractor and subcontractors accountable under the below listed Government contracts. Rent-free, non-interference use of Government property

CONTINUATION SHEET	Reference No. of Document Being Continued	Page 7 of 15
	PIIN/SIIN DAAE07-00-C-M002MOD/AMD P00022	
Name of Offeror or Contractor: UNITED DEFENSE L.P.		

accountable under those contracts is approved.

CONTRACT	CONTRACTOR	PROGRAM
a) DAAE07-96-C-X036	UDLP	BFV Remanufactured
b) DAAE07-94-C-0456	UDLP	Bradley A3 EMD
c) DAAE07-95-C-X030	UDLP	System Technical Support

H.31 SECURITY REQUIREMENTS

H.31.1 Contract Security Classification Specification DD Form 254, Attachment 9, is applicable to performance under this contract.

H.32 DEPARTMENT OF DEFENSE ACTIVITY ADDRESS CODE

H.32.1 The Department of Defense Activity Address Code (DODAC) for use under this contract is CK0PNJ.

H.32.2 DODDAAC for GDLS Muskegon and GDLS Tallahassee. GDLS will be performing as a subcontractor to UDLP and will require shipment of parts/vehicles to their Muskegon and Tallahassee facilities at the following addresses: (Added by modification P00022)

GDLS TALLAHASSEE
2930 COMMONWEALTH BLVD
TALLAHASSEE, FL 32303
DODAAC: CK0P36

GDLS MUSKEGON
76 GETTY STREET
MUSKEGON MI 49442
DODAAC: CK0P37

H.33 CONTRACT ADJUSTMENT

H.33.1 Contract Adjustment - Material: The parties to this contract recognize that the unit prices for vehicles under this contract are based on the following:

H.33.1.1 The bundling of like items for the various vehicle systems with a single supplier and/or on the combined procurement of common material/LRU's for all of the vehicle systems. This bundling is based on the procurement of the following vehicle systems under this contract in the specified quantities:

a. Bradley A3	80
b. BFIST	55 consisting of (26 vehicles + 29 sets of material)
c. A0-A2ODS	60

H.33.1.2 The bundling of material/LRU procurements with a planned follow-on multiyear and/or single year procurements based on the following minimum quantities. The parties agree that the quantities listed below can be acquired in a single or over multiple contracts (i.e. spare acquisitions) provided the dates and types of contracts (i.e.single versus multiyear) set forth in H.33.1.3 below are met.

a)	Subcontractor	FY01	FY02	FY03	Total
b)	Raytheon	95	121	121	376+
c)	EFW	415 from FY01 through FY03			
d)	Cummins	110			

+ The parties agree that the total minimum required quantity over the three year period is 376 units. The individual yearly quantities represent the minimum quantity that must be procured in a given year.

H.33.1.3 Should the Government fail to:

- a)award BFIST material at the quantity specific in paragraph H.33.1.1, above by 31 August 2000; or
- b)terminate any portion of the vehicle quantities specified in H.33.1.1, above; or
- c)fails to award a Bradley spares contract, DAAE07-00-C-M006 by 31 July 2000 for at least the quantities United Defense submitted in their proposal dated 26 May 2000 for the effort. NOTE: BFV spares contract DAAE07-00-C-M006 was awarded on 27 July 2000; or
- d)Raytheon - Fail to award a follow-on multiyear contract in the quantities identified in H.33.1.2 by 31 March 2001; or
- e) EFW and Cummins supplied subsystems - Fail to award a follow-on multiyear contract by 31 March 2001 or single year contracts in the quantities identified in H.33.1.2 by 31 March of each applicable year (e.g. 31 March 2001 for FY2001, etc.)

<p style="text-align: center;">CONTINUATION SHEET</p>	<p style="text-align: center;">Reference No. of Document Being Continued</p> <p> PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022 </p>	<p style="text-align: right;">Page 8 of 15</p>
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Name of Offeror or Contractor: UNITED DEFENSE L.P.

Then the Contractor may request an equitable adjustment(s) to the vehicle unit prices under this contract. If the Contractor makes the request, it shall be in the form of a proposal(s) for equitable adjustment. The request(s) must be made not later than three (3) months from date specified above for events (a) through (e). Following negotiations, the contract shall be adjusted as stated in either i. or ii. below, or a combination of the two. The determination of the method of adjustment shall be solely at the option of the Government.

i. An equitable adjustment to the total contract amount to compensate the Contractor and the Contractor's suppliers, subcontractors or vendors. The amount shall not exceed the following:

Item (a), Current contract systems & quantities	\$ 4,097,700
Item (b), Multiyear systems & quantities	\$ 4,593,000
Item (c), Follow-on Single year systems & quantities	\$ 3,461,000

ii. A reduction in the quantity of vehicles delivered, with no reduction in contract amount. The number of vehicles shall be no greater than:

Item (a), Current contract systems & quantities	3 A3s	2 ODSs	0 BFIST	5 total
Item (b), Multiyear systems & quantities	3 A3s	0 ODSs	0 BFIST	3 total
Item (c), Follow-on Single year systems & quantities	3 A3s	2 ODSs	0 BFIST	5 total

H.33.1.4 For purpose of this clause the following suppliers, subcontractors or vendors have entered into agreements with the prime Contractor for consideration if a follow on multiyear contract is not awarded:

a) Raytheon (pursuant to subcontract special provision H.29 of the United Defense - Raytheon agreement)

H.33.1.5 For purpose of this clause the material/LRU items listed in Attachment 5 have been priced based on the bundling of like items for the various vehicle systems with a single supplier and/or on the combined procurement of common material/LRU's for all of the vehicle systems. The list of Bundling Components is located at Attachment 5.

H.33.1.6 For purpose of this clause the following suppliers, subcontractors or vendors have entered into agreements with the prime Contractor for consideration if neither a follow on multiyear or follow on single year contracts are not awarded in sufficient quantities:

- a) EFW
- b) Cummins Engine

H.33.2 Contract Adjustment - Configuration Management: At the Government's option, should the contractor submit a request for equitable adjustment in accordance with paragraph C.12.5.3.1, the Government may as the adjustment chose to reduce the contract by up to five (5) M2A3 vehicles, with no reduction in contract amount. Or increase the contract funding, or a combination of vehicles and funding.

H.34 MAKE-OR-BUY PROGRAMS IN ACCORDANCE WITH SUBPART 15.4 OF THE FAR

H.34.1 The Contractor has provided to the Contracting Officer a proposed make-or-buy program confined to the items or work efforts estimated to cost \$500,000 or more for each delivery year of this contract. The items, which the contractor either makes or buys, are delineated in the bill of material submitted as part of the proposal/negotiations. A copy of the bill of materials is in the possession of both parties.

H.34.2 The contractor shall submit and negotiate changes from BUY to MAKE for those items over \$500,000 in each delivery year. For MAKE items the contractor shall submit and negotiate changes only if the change would result in a subcontract over \$500,000 in any delivery year. Any short-term or temporary changes to alleviate manufacturing problems and/or delivery problems will not be submitted or negotiated as changes to the make or buy plan.

H.35 PRIORITY RATING

H.35.1 A priority rating of D0-A4 is assigned to this contract and it is certified for National Defense use under DMS Regulation 1. The contractor shall take all necessary actions to extend this rating to its suppliers or subcontractors where required.

H.36 NOTIFICATION OF INCONSISTENCIES

H.36.1 Should the contractor discover or suspect any inconsistencies among contract provisions, requirements, specifications, and/or documents, he shall immediately notify the Procuring Contracting Officer in writing.

H.37 REQUEST FOR WAIVER

H.37.1 For all major variations from drawing and specification requirements, a DD Form 1694, Request for Waiver (Reference DOD-STD-480), shall be submitted by the Contractor to the Contract Administration Office for processing. An emergency or urgent Engineering Change Proposal may be issued by the Contracting Officer for mandatory changes in lieu of endorsing or approving the DD Form, 1694 submitted.

H.38 SMALL AND SMALL DISADVANTAGE BUSINESS SUBCONTRACTING PLAN

H.38.1 Attachment 12 to the contract lists the small and small disadvantage business subcontracting plan(s) that are applicable to this contract. The plans are incorporated by reference. The contractor shall retain copies of their vendors and subcontractors small and small disadvantage business subcontracting plan(s). These copies of the plans shall be made available for review by appropriate government officials.

H.39 REPRESENTATIONS, CERTIFICATIONS AND OTHER STATEMENTS OF OFFEROR

H.39.1 The Representations, Certifications and Other Statements of Offeror (Section K), submitted in response to solicitation DAAE07-99-R-M013, in the possession of both parties, is incorporated into the contract by reference.

H.40 CORRECTION OF DEFICIENCIES OR SYSTEMIC DEFECTS (H.40 DELETED BY MODIFICATION P00015)

H.40.1 DEFINITIONS:

- a. Defect or Deficiency: means any condition or characteristic in any supplies that is not in compliance with a critical performance characteristic. The A3 Vehicle Performance Specification 19207-12465518 defines the critical performance characteristics for the A3 vehicles, reference Attachment 2. The ODS critical performance characteristics are defined in Attachment 3. The BFIST Vehicle Performance Specification 19207-12463099 defines the critical performance characteristics for the BFIST vehicles, see Attachment 4.
- b. Systemic Defect: means a classification of failure of the same component which occur, or may occur, over the period of the contract coverage with a frequency, pattern, or sameness to indicate a logical regularity of occurrence.
- c. Supplies: means the vehicles delivered under the contract including any components or sub-assemblies thereof.
- d. Vehicle Testing: means the conduct of Follow-on Production Testing/Extended Follow-on Production Testing (FPT/EFPT). FPT/EFPT testing shall be accomplished in accordance with the Product Assurance Program Plan.
- e. Acceptance: is execution by an authorized Government representative of a DD Form 250 and means the act by which the Government assumes for itself, or as the agent of another, ownership of the Supplies delivered under the contract.
- f. Failure Free: means full performance to the vehicle Performance Specifications and completeness of assembly and function to the intent of the contractor technical data package.

H.40.2 COVERAGE

H.40.2.1 Fielded Vehicles shall be failure free through completion of OPNET. The maximum time allowed for OPNET will not exceed 90 days from vehicle acceptance.

H.40.2.2 For a period of twelve (12) months after vehicle OPNET, the Contractor shall be liable for the costs of correction of Systemic Defects.

H.40.2.3 Test vehicles shall be delivered failure free through deprocessing. During vehicle testing, the contractor shall be responsible for correction of critical items and systemic defects.

CORRECTION OF DEFICIENCIES TABLE

FIELDIED VEHICLES

Contractor Owned	Failure Free	COD for systemic defects
<----->	<---NTE 90 Days---	<-----12 Months----->
Deprocessing	OPNET	Field Service
DD250		

TEST VEHICLES

Contractor Owned	Systemic/Critical
<----->	<---Period of test---

<p style="text-align: center;">CONTINUATION SHEET</p>	<p style="text-align: center;">Reference No. of Document Being Continued</p> <p style="text-align: center;">PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022</p>	<p style="text-align: center;">Page 10 of 15</p>
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Name of Offeror or Contractor: UNITED DEFENSE L.P.

Deprocessing		Test		Refurbishment	Field Service	
DD250						

H.40.2.4 The Correction of Deficiency/Systemic Defects set forth in this clause shall not apply to defects caused by:

- a) Operation counter to the Performance Specification or Technical Manuals (TMs), design operating parameter, or other written instructions provided to and approved by the U.S. Government in such a way as to be a principal cause of failure.
- b) Repair or alternation by the U.S. Government in such a way as to induce a failure.
- c) Any damage caused by the misuse, abuse, neglect, or accident on the part of U.S. Government personnel.
- d) Combat damage, foreign object damage, ordinary wear and tear items and damage caused by test.
- e) The Government's or an agent of the Government failure to perform proper installation, maintenance or service on the vehicle.
- f) Government supplied parts and materials, or integration related defects caused by GFM. For purposes of this clause the BFIST kits/materials provided by the contractor to RRAD under the contract are not considered GFM, the requirements of this clause therefore applies to these items.
- g) Failure caused by acts of God, subversion, riots, vandalism, or sabotage, or fire or explosion induced by or originating from sources external to the vehicle.
- h) Damage attributable to improper packing, packaging, crating, handling or storage by the U.S. Government or their agents to the extent of such damage.

The following Performance Specification Items:

- | | | | |
|----|-------|-----------------------|---------------------------|
| a. | A3 | Paragraph 3.1.4.7 | Turret Back-up Power |
| b. | BFIST | Paragraph 3.2.4.6.1 | Nuclear Hardening |
| c. | BFIST | Paragraph 3.2.4.6.2.1 | Electromagnetic Radiation |

It is recognized that there are performance specifications requirements for which full compliance has yet to be demonstrated through vehicle testing, but for which full compliance is anticipated. In the event that subsequent testing, if required, fails to demonstrate full compliance, such requirements shall be addressed in future specification notices, deviations, or waivers. In such cases, the contractor shall not be required to provide any consideration to the Government in exchange for processing and approval of these documents.

H.40.2.5 The Contractor's maximum liability under this clause shall be limited to \$3,000,000.00 for the BFV A3 program (this include basic and option vehicles), \$775,000.00 for the BFV A2ODS and \$153,075.00 for the M7 BFIST (basic award). If the Government exercises the option for build of up to 29 additional BFIST vehicles the limitation is increased by \$2,825 per vehicle (or \$81,925 if all 29 vehicles are optioned).

H.40.2.5.1 The parties agree that the Government shall have the unilateral right to delete this clause prior to 31 December 2000. If the Government exercises this right the contract shall be reduced as follows:

- \$2,760,509 against the BFV A3 program.
- \$ 643,243 against the ODS program.
- \$ 122,460 against the BFIST program.
- \$ 2,260 for each BFIST FY01 vehicle optioned, if any.

H.40.2.5.2 The Contractor shall, commencing with delivery of the first vehicle under this contract, provide the PCO with a monthly cost report of expenditures relating to this clause. The report shall be provided in contractor format and shall highlight monthly and cumulative COD expenditures. If no expense is incurred in any month, a report need not be submitted. Reports shall be provided no later than 15 working days after end of each accounting month.

H.40.3 NOTIFICATION PROCESS:

H.40.3.1 The Contracting Officer shall notify the Contractor in writing following discovery of a Defect/Deficiency or Systemic Defect in supplies. Desired notification is within thirty (30) days of the PCO being advised of the defect. This notice shall constitute official notification of a Correction of Deficiency/Systemic Defect claim action and initiate the request for Contractor responsibility and action under this Correction of Deficiency/Systemic Defect provision. Such notice shall provide reasonable evidence in support of each claim of Deficiency or Defect including part numbers, where necessary to establish the nature of the defect, at Government expense. The Government shall give the Contractor reasonable access to the supplies and equipment necessary for the purpose of determining the cause of the Deficiency or Defect and the corrective action to be taken.

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022	Page 11 of 15
Name of Offeror or Contractor: UNITED DEFENSE L.P.		

H.40.3.2 The Contractor shall complete a verification of the existence of a Defect/Deficiency or Systemic Defect within 30 days of receipt of a notice alleging the existence of such a Defect/Deficiency or Systemic Defect, unless the parties agree to a time extension. The Contractor shall submit to the Contracting Officer its plan for corrective actions within 30 days (unless agreed to otherwise by the parties) of the completion of the verification of the Defect/Deficiency or Systemic Defect. The plan shall include a reasonable schedule to accomplishing the corrections or a recommendation that no corrective action be taken with supporting reasons for such a recommendation.

For alleged Defects/Deficiencies that are determined to present a critical safety issue, the Contractor shall immediately proceed with the development and submission of its plan for corrective action prior to verification of the Defect/Deficiency. Verification of the Defect/Deficiency will be completed following submission of the corrective action plan.

H.40.3.3 Within 30 days after receipt of the Contractor's plan for corrective action, the Contracting Officer shall give the Contractor written notice of his approval/disapproval. The Government shall make the supplies available to the Contractor in accordance with the Contractor's plan for corrective action. The Contractor shall accomplish corrective actions at the Contractor's plant on supplies which have not been shipped. If such supplies have been shipped, the corrective action will be performed as mutually agreed upon between the Contractor and the Contracting officer.

H.40.3.4 Within 30 days after receipt of the Contractor's recommendation that no corrective action be taken and adequate supporting information, the Contracting Officer shall give the Contractor written notice either not to correct the Deficiency/Defect or Systemic Defect, or to submit a plan for corrective action. In the latter event, the corrective action shall be accomplished in accordance with the above provisions of this clause.

H.40.4 CORRECTION OF DEFICIENCY OR DEFECT BY THE CONTRACTOR

H.40.4.1 The Contractor shall promptly correct Deficiencies or Defects, or Systemic Defects in accordance with its plans for corrective actions. If requested, the Contractor shall provide information as to the status of corrective action activities to the Government.

H.40.4.2 Any unreasonable Government caused delay of the contract and completion of activities that results in increased scope of Correction of Deficiency/Systemic Defect costs or delays the Contractor, may be subject to an equitable adjustment pursuant to the Government Delay of Work Clause of the contract. Government delays include, but are not limited to Government testing; corrective action plan and results review and approval; access to Government supplies, equipment, and vehicles.

H.40.4.3 Failure to Correct. If the Contractor does not agree as to its responsibility to correct or replace the supplies delivered, the Contractor shall nevertheless proceed in accordance with the written direction issued by the Contracting Officer to correct or replace the allegedly Deficient/Defective supplies. In the event it is later determined that such supplies were not Defective or Deficient within the provisions of this clause, the Contractor shall be entitled to an equitable adjustment of the contract.

H.40.5. The Government reserves the right to direct the correction of fielded vehicles prior to correction of production vehicles.

H.40.6 The rights and remedies provided in this clause shall not be affected in any way by any other provisions under this contract concerning the conclusiveness of inspection and acceptance, and are in addition to and do not limit any rights afforded to the Government and the Contractor by any other clause of this Contract.

H.40.7 This clause is applicable to the vehicles delivered under this contract; and

H.40.7.1 Specifically excludes liability for loss, damage or injury to third parties, and any and all consequential damages; and

H.40.7.2 All implied warranties and "Warranties of Fitness for a Particular Purpose" are excluded from any obligation under this contract.

H.41. ALTERATION IN FIELDING SCHEDULE OPTION

H.41.1 The Government shall have the unilateral right to alter the fielding schedule by vehicle system by moving the schedule forward up to zero (-0-) months, provided the Government gives written notification to the contractor within zero (-0-) months of award. If the Government exercise this right, it shall be at no additional cost to the Government.

H.41.2 The Government shall have the unilateral right to alter the fielding schedule by vehicle system by moving the schedule outward up to zero (-0-) months, provided the Government gives written notification to the contractor within zero (-0-) months of award. If the Government exercise this right, it shall be at no additional cost to the Government.

H.42 OPTION - BUILD OF BFIST VEHICLES

<p align="center">CONTINUATION SHEET</p>	<p align="center">Reference No. of Document Being Continued</p> <p align="center">PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022</p>	<p align="center">Page 12 of 15</p>
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Name of Offeror or Contractor: UNITED DEFENSE L.P.

H.42.1 The Government may increase the quantity of M7 BFIST vehicles called for under this contract by up to twenty-nine (29) additional vehicles. CLIN 0012 provides for material and support for twenty-nine (29) vehicles. This option, if exercised, is for the build, manufacturing labor, PSE, deprocessing, cyclic maintenance, correction of deficiencies and subcontracted items(INU and PIB) for these vehicles. The Government may exercise all twenty-nine (29) vehicles, or any portion of this option, at the unit price of \$152,768.00 each, no later than 31 December 2000. The Government may exercise all or any portion of the option by giving written notification to the Contractor. Delivery for any vehicle called up by this option shall be in accordance with Section F of this contract.

H.43 OPTION - BUILD OF M2A3 VEHICLES

H.43.1 The Government may increase the quantity of Bradley M2A3 vehicles called for under this contract by up to ten (10) additional vehicles. CLIN 0002AA provides for material and support labor for the 10 vehicles. This option, if exercised, is for the build (manufacturing labor, test, deprocessing) for these vehicles. The Government may exercise all 10 vehicles, or any portion of this option, at the unit price of \$244,425 each, no later than 31 December 2000 by giving written notice to the Contractor. Delivery for any vehicles called up by this option shall be in accordance with Section F of this contract.

H.43.2 In the event that the Contractor receives an award in connection with the Interim Armor Vehicle (IAV) program prior to the exercise of this option, the unit price identified above will be subject to adjustment solely for the impact of this award (rates only). The following labor hours have been agreed to in connection with this option and are subject to the application of revised rates as a result of an IAV award:

<u>PER UNIT</u>	<u>HOURS</u>
York Manufacturing Labor Hours	1,460
Aiken Manufacturing Labor Hours	688
Deprocessing Labor York Office Hours	15
Deprocessing Labor San Jose Office Hours	49
Deprocessing Labor York Manufacturing Hours	8

H.44 TITLE TO SPECIAL TOOLING -- DEVIATION

H.44.1 In accordance with the September 16, 1999 Class Deviation -- Special Tooling, DAR tracking number 99-00012 issued by the Director, Defense Procurement, the portion of the Government Property clause for fixed price contracts FAR 52.245-2 that states that special tooling is subject to title provisions in the special tooling clause is waived. The waiver is necessary because the 1984 edition of the Special Tooling clause (see Paragraph H.49), as contained in this contract, does not contain title provisions.

H.45 FAR PART 45 -- DEVIATION

H.45.1 In accordance with the July 13, 1999 Class Deviation from Federal Acquisition Regulation Part 45, DAR tracking number 99-00008, issued by the Director, Defense Procurement, the property record keeping and periodic physical inventory requirements for low-value property (special tooling, special test equipment, and plant equipment with an acquisition value of less than \$5,000 or less)is reduced per the deviation. Further in accordance with the deviation the contractor may defer reporting the loss, damage or destruction of low-value property until contract termination or completion.

H.46 LIMITED RIGHTS OF SUB-CONTRACTORS

H.46.1 The following items are provided with limited right.

PART NUMBER	DESCRIPTION	CONTRACTOR
3227307-2	Slip Rings	Raytheon
3225889-1	Twist Caps	Raytheon
3225887-1	Elevation Motor	Raytheon
3225899-1	Azimuth Motor	Raytheon
1797511-1	FOV Motor	Raytheon

H.47 PROGRAM CLOSURE

H.47.1 This contract was based on the assumption that there would be a follow-on award for BFV A3 vehicles. The agreed upon price did not include any amount for the impact that could result from closure of the BFV program. For purposes of this clause BFV closure means an anticipated break in BFV production/remanufacture due to a lack of a follow-on contract. For purposes of this clause a follow-on contract means a US Government contract or a FMS contract or a Direct Foreign Sales contract.

H.47.2 A follow-on BFV A3 award for FY01 is contemplated for March 31, 2001 in order to avoid a production break of BFV A3 vehicles. If there is no award of a follow-on contract by March 31, 2001 the Contractor shall notify the Government within thirty (30) days of their intent to submit a proposal for equitable adjustment. The proposal shall be submitted within sixty (60) days of the notification.

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022	Page 13 of 15
Name of Offeror or Contractor: UNITED DEFENSE L.P.		

H.47.3 Costs that may be considered as allowable under this clause are:

- severance and outplacement benefits
- additional costs related to material shortages and build-out
- direct labor inefficiencies due to work around, build-out, and associated material shortages
- inefficiencies due to associated build-out efforts, dispositioning of tooling, machines and fixtures

H.47.4 The maximum liability to the Government as a result of this clause is \$15,700,000.00.

H.47.5 The Government, following negotiations and agreement on an equitable adjustment, if any, has the unilateral option to:

- 1) increase the amount of this contract by negotiated agreement; or
- 2) reduce the contract by up to 9 BFV A3 vehicles; or
- 3) a combination of H.47.5.1 and H.47.5.2 above.

H.48 ALTERATIONS IN CONTRACT PROVISIONS

H.48.1 Contract Section I, General Provision I.62, FAR 52.243-1, "Changes-Fixed Price (August 1987)", paragraph c, is revised by replacing "30 days" with "90 days".

H.48.2 Contract Section I, General Provision I.63, FAR 52.243-7, "Notification of Changes (April 1984)", the fill-in portion of paragraph b is 90 days and the fill in portion of paragraph d is 30 days.

H.49 SPECIAL TOOLING - FAR 52.245-17 -- (APRIL 1984) -- DEVIATION

a) Definition: "Special tooling" means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacement of these items, that are of such specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or performing particular services. It does not include material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items. Special tooling, for the purpose of this clause, does not include any item acquired by the Contractor before the effective date of this contract, or replacement of such items, whether or not altered or adapted for use in performing this contract, or items specifically excluded by the Schedule of this contract.

b) Use of special tooling: The contractor agrees to use the special tooling only in performing this contract or as otherwise approved by the Contracting Officer.

c) Initial list of special tooling: If the Contracting Officer so requests, the contractor shall furnish the Government an initial list of all special tooling acquired or manufactured by the Contractor for performing this contract (but see paragraph (d) for tooling that has become obsolete). The list shall specify the nomenclature, tool number, related product part number (or service performed), and unit or group cost of the special tooling. The list shall be furnished within 60 days after delivery of the first production end item under this contract unless a later date is prescribed.

d) Changes in design: Changes in the design or specifications of the end items being produced under this contract may affect the interchangeability of end item parts. To such an event, unless otherwise agreed to by the Contracting Officer, the contractor shall notify the Contracting Officer of any part not interchangeable with a new or superseding part. Pending disposition instructions, such usable tooling shall be retained and maintained by the contractor.

e) Contractor's offer to retain special tooling: The Contractor may indicate a desire to retain certain items of special tooling at the time it furnishes a list or notification pursuant to paragraph (c), (d), or (h) of this clause. The contractor shall furnish a written offer designating those times that it wishes to retain by specifically listing the items or by listing the particular products, parts, or services for which the times were used or designed. Their offer shall be made on one of the following bases:

1) An amount shall be offered for retention of the items free of any Government interest. This amount shall ordinarily not be less than the current fair value of the items, considering among other things, the value of the items to the contractor for use in future work.

2) Retention may be requested for a limited period of time and under terms as may be agreed to by the Government and the contractor. This temporary retention is subject to final disposition pursuant to paragraph (i) of this clause.

f) Property control records: The contractor shall maintain adequate property control records of all special tooling in accordance

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022	Page 14 of 15
Name of Offeror or Contractor: UNITED DEFENSE L.P.		

with its normal industrial practice. The records shall be made available for Government inspection at all reasonable times. To the extend practicable, the contractor shall identify all special tooling subject to this clause with an appropriate stamp, tag, or other mark.

g) Maintenance: The contractor shall take all reasonable steps necessary to maintain the identity and existing condition of usable items of special tooling from the date such items are no longer needed by the contractor until final disposition under paragraph (i) of this clause. These maintenance requirements do not apply to those items designated by the Contracting Officer for disposal as scrap or identified as of no further interest to the Government under paragraph (i)(4) of this clause. The contractor is not required to keep unneeded items of special tooling in place.

h) Final list of special tooling: When all or a substantial part of the work under this contract is completed or terminated, the contractor shall furnish the Contracting Officer a final list of special tooling with the same information as required for the initial list under paragraph (c) of this clause. The final list shall include all items not previously reported under paragraph (c). The contracting officer may provide a written waiver of this requirement or grant an extension. The requirement may be extended until the completion of this contract authorizing the use of the special tooling under paragraph (b) of this clause. Special tooling that has become obsolete as a result of changes in design or specification need not be reported except as provided for in paragraph (d).

i) Disposition instructions: The contracting officer shall provide the contractor with disposition instructions for special tooling identified in a list or notice submitted under paragraphs (c), (d), or (h) of this clause. The instructions shall be provided within 90 days of receipt of the list or notice, unless the period is extended by mutual agreement. The contracting officer may direct disposition by any of the methods listed in subparagraph (1) through (4) of this paragraph, or a combination of such methods. Any failure of the Contracting Officer to provide specific instruction within the 90 day period shall be construed as direction under subparagraph (i)(3).

1) The Contracting Officer shall give the contractor a list specifying the products, parts, or services for which the Government may require special tooling and request the contractor to transfer title (to the extent not previously transferred under any other clause of this contract) and deliver to the Government all usable items of special tooling that were designed for or used in the production or performance of such products, parts or services and that were on hand when such production or performance ceased.

2) The Contracting Officer may accept or reject any offer made by the Contractor under paragraph (e) of this clause to retain items of special tooling or may request further negotiation of the offer. The contractor agrees to enter into negotiations in good faith. The net proceeds from the contracting officer's acceptance of the contractor's retention offer shall either be deducted from amounts due the contractor under this contract or shall be otherwise paid to the government as directed by the contracting officer.

3) The contracting officer may direct the contractor to sell, or dispose of as scrap, for the account of the Government, any special tooling reported by the contractor under this clause. The net proceeds of all sales shall either be deducted from amounts due the contractor under this contract or shall be paid to the Government as directed by the Contracting Officer. To the extent that the Contractor incurs any costs occasioned by compliance with such directions, for which it is not otherwise compensated, the contract price shall be equitably adjusted in accordance with the Changes clause of this contract.

4) The Contracting Officer may furnish the contractor with a statement disclaiming further Government interest or rights in any of the special tooling listed.

j) Storage or shipment: The contractor shall promptly transfer to the Government title to the special tooling specified by the Contracting Officer and arrange for either the shipment or the storage of such tooling in accordance with the final disposition instruction in subparagraph (i) (1) of this clause. Tooling to be shipped shall be properly packaged, packed, and marked in accordance with the directions of the Contracting Officer. Tooling to be stored shall be stored pursuant to a storage agreement between the Government and the Contractor, and as direct by the Contracting Officer. tolling shipped or stored shall be accompanied by operation sheets or other appropriated necessary to show the manufacturing operations or processes for with the items were used or designed. To the extent that the contractor incurs costs for authorized storage or shipment under this paragraph and not otherwise compensated for, the contract price shall be equitably adjusted in accorance accordanceChanges clause of this contract.

k) Subcontract provisions: In order to perform this contract, the contractor may place subcontracts (including purchase orders) involving the use of special tooling. If the full cost of tooling is charged to those subcontracts, the contractor agrees to include in the subcontracts appropriate provisions to obtain Government rights comparable to the rights of the Government under this clause (unless the contractor and the Contracting Officer agree that such rights are not of substantial interest to the Government). The contractor agrees to exercise such rights for the benefit of the Government as directed by the Contracting Officer.

CONTINUATION SHEET	Reference No. of Document Being Continued PIIN/SIIN DAAE07-00-C-M002 MOD/AMD P00022	Page 15 of 15
Name of Offeror or Contractor: UNITED DEFENSE L.P.		

*** END OF NARRATIVE H 001 ***